

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

STEPHEN NELSON, derivatively on
behalf of Nominal Defendant PayPal
Holdings, Inc.,
PLAINTIFF,

v.

DANIEL H. SCHULMAN, JOHN D.
RAINEY, RODNEY C. ADKINS,
JONATHAN CHRISTODORO, JOHN J.
DONAHOE, BELINDA J. JOHNSON,
ENRIQUE LORES, GAIL J.
McGOVERN, DEBORAH M.
MESSEMER, DAVID M. MOFFETT,
ANN M. SARNOFF, FRANK D.
YEARY,
DEFENDANTS,

and

PAYPAL HOLDINGS, INC.,
NOMINAL DEFENDANT.

Case No.: 3:23-cv-01913

Hon. Georgette Castner, U.S.D.J.
Hon. J. Brendan Day, U.S.M.J.

CLASS ACTION

**JOINT STIPULATION AND [PROPOSED]
ORDER REGARDING SERVICE OF
COMPLAINT AND STAY OF
PROCEEDINGS**

WHEREAS, on April 4, 2023, Plaintiff Stephen Nelson (“Plaintiff”) filed in this Court a stockholder derivative complaint (the “Derivative Action”) against Rodney C. Adkins, Jonathan Christodoro, John J. Donahoe, Belinda J. Johnson, Enrique Lores, Gail J. McGovern, Deborah M. Messemmer, David M. Moffett, John D. Rainey, Ann M. Sarnoff, Daniel H. Schulman, and Frank D. Yeary (collectively, the “Individual Defendants”), and nominal defendant PayPal Holdings, Inc. (“PayPal,” together with the Individual Defendants, “Defendants”);

WHEREAS, an earlier-filed and factually related securities class action, originally captioned Defined Benefit Plan of the Mid-Jersey Trucking Industry and Teamsters Local 701 Pension and

Annuity Fund v. PayPal Holdings, Inc., et al., No. 3:22-cv-05864-GC-LHG (the “Securities Class Action” or “In re PayPal Holdings, Inc. Securities Litigation”), is pending in this Court; plaintiff in the Securities Class Action filed a complaint on October 4, 2022, asserting federal securities claims against the Company, Daniel H. Schulman, and John D. Rainey; the court-appointed lead plaintiff filed a consolidated amended complaint on March 13, 2023, adding Jonathan Auerbach as another individual defendant (the “Amended Complaint”); and defendants may thereafter move to dismiss the Amended Complaint;

WHEREAS, based upon the overlapping parties and factual allegations contained in the Securities Class Action and this Derivative Action, and to avoid the unnecessary expenditure of judicial resources, the parties have agreed, subject to this Court’s approval, that all proceedings and deadlines in this Derivative Action should be stayed until such time as this Court issues a ruling on any motion to dismiss filed by defendants in the Securities Class Action; and

WHEREFORE, the parties, through their undersigned counsel, hereby agree, stipulate, and respectfully request that the Court enter an order as follows:

1. Undersigned counsel for Defendants is authorized to waive, and hereby does waive as of the date hereof, service of the complaint on behalf of Defendants, without prejudice and without waiver of any of Defendants’ defenses, objections, or arguments in this matter, except as to sufficiency of service of process.

2. Except as provided below, all proceedings, including any motions practice, obligation to respond to the complaints and any amended complaint in this Derivative Action are hereby stayed and shall remain stayed until such time as this Court issues a ruling on any motion to dismiss filed by defendants in the Securities Class Action. The parties shall meet and confer and submit a proposed scheduling order within twenty (20) days following the lifting of the stay.

3. Notwithstanding the foregoing Paragraph 2, the stay of proceedings in this

Derivative Action may be earlier lifted: (i) at any time, if the parties file a written stipulation with the Court agreeing to lift the stay; (ii) after thirty (30) days' written notice via email from Plaintiff's counsel to the undersigned counsel for Defendants; (iii) after thirty (30) days' written notice via email from Defendants' counsel to the undersigned counsel for Plaintiff; or (iv) immediately and automatically upon the filing of a responsive pleading other than a motion to dismiss by Defendants in the Securities Class Action, without need to seek leave of this Court.

4. Defendants shall notify Plaintiff should they become aware of any related stockholder derivative lawsuits (a "Related Derivative Action").

5. Defendants shall notify Plaintiff if a Related Derivative Action is not stayed for a similar or longer duration than the stay of this Derivative Action. After the stay is lifted, Defendants will not move to stay the Derivative Action in deference to any Related Derivative Action.

6. Notwithstanding the stay of proceedings in this Derivative Action, Plaintiff may file an amended complaint, although Defendants shall be under no obligation to move, answer, plead, or otherwise respond to the amended complaint during the pendency of the stay.

7. By entering into this Stipulation, the parties reserve all of their respective rights, claims, and defenses in this Derivative Action, and no part of this Stipulation shall be construed as a waiver of any available rights, claims or defenses, except as to the sufficiency of service of process as provided in Paragraph 1.

8. Defendants expressly reserve the right to make all arguments concerning enforcing the forum selection provision set forth in Article X of PayPal's Restated Certificate

of Incorporation dated July 20, 2017 and Plaintiff reserves the right to oppose the same.

9. All hearings, conferences, and deadlines currently scheduled shall be postponed until the date and time that will be specified in the proposed scheduling order to be submitted by the parties after the stipulated stay of proceedings is lifted.

Dated: April 28, 2023

Respectfully submitted,

Serina M. Vash

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HERMAN JONES LLP

153 Central Avenue, # 131
Westfield, New Jersey 07090
Telephone: 862-250-3930
svash@hermanjones.com

HERMAN JONES LLP

John C. Herman (Ga. Bar No. 348370)
(to seek admission pro hac vice)
Candace Smith (Ga. Bar No. 654910)
(to seek admission pro hac vice)
3424 Peachtree Road, N.E., Suite 1650
Atlanta, Georgia 30326
Telephone: (404) 504-6500
Facsimile: (404) 504-6501
jherman@hermanjones.com
csmith@hermanjones.com

Counsel for Plaintiff

David F. Edelstein

David F. Edelstein

ARCHER & GREINER, PC

1025 Laurel Oak Road
Voorhees, New Jersey 08043
(856) 795-2121
dedelstein@archerlaw.com

SHEARMAN & STERLING LLP

Adam S. Hakki (to seek admission
pro hac vice)
Agnès Dunogué (to seek admission
pro hac vice)
599 Lexington Avenue
New York, New York 10022-6069
Tel: 212.848.4000
Adam.Hakki@shearman.com
Agnes.Dunogue@shearman.com

SHEARMAN & STERLING

LLP
Lyle Roberts (to seek admission
pro hac vice)
George Anhang ((to seek
admission *pro hac vice*)
401 9th Street, NW
Washington, DC 20004-2128
Tel: 202.508.8108
Lyle.Roberts@shearman.com
George.Anhang@shearman.com

Counsel for Defendants

SO ORDERED this 1st day of May, 2023

Georgette Castner
HON. GEORGETTE CASTNER, U.S.D.J.
HON. J. BRENDAN DAY, U.S.M.J.